

FISCAL MEMORANDUM

SB 2705 – HB 2763

March 28, 2008

SUMMARY OF AMENDMENT (015868): Removes language in current law which prohibits irrevocable assignments of policy benefits to a funeral establishment and prohibits an insurance company from assisting in the irrevocable assignment of the benefits.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$10,900/One-Time/Pre-Need Restitution Account
\$76,300/Recurring/Pre-Need Restitution Account
Not Significant/General Fund

Increase State Expenditures –

\$10,900/One-Time/Pre-Need Restitution Account
\$76,300/Recurring/Pre-Need Restitution Account
Not Significant/General Fund

Increase Local Gov't. Revenue – Not Significant

Increase Local Gov't. Expenditures – Not Significant

Other Fiscal Impact – There will be an increase in state revenue as a result of collecting fees to be deposited in the Pre-Need Restitution Account. Fees will be collected until the account balance equals or exceeds \$2.5 million. The amount of restitution, if any, that will be paid from the account is indeterminable but could not exceed \$2.5 million in any given year.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Assumption applied to amendment:

- Any cost to the Department of Commerce and Insurance to review certain pre-need contracts by pre-need sellers can be accommodated within existing resources without an increased appropriation or reduced reversion.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rct